



DURHAM CITY-COUNTY INSPECTIONS DEPARTMENT



Memorandum

Date: April 18, 2011

To: Thomas J. Bonfield, City Manager

Through: Keith Chadwell, Deputy City Manager

From: William E. (Gene) Bradham, Director of City-County Inspections

Subject: Adopt a Resolution Authorizing City-County Inspection Permit Fees for Durham Housing Authority and Rescind Resolution #7343

Executive Summary

The attached proposed resolution rescinds an existing resolution. The proposed resolution authorizes the City-County Inspections Department to charge the Durham Housing Authority for permits in the same manner as the Department charges other profit and non-profit entities.

Recommendation

Staff recommends Council rescind Resolution #7343 and adopt a resolution authorizing the City-County Inspections Department to charge the Durham Housing Authority for permits in the same manner as charged for other profit and non-profit entities.

Background

In 1989, the City Council adopted a resolution that directed the administration to not charge the Durham Housing Authority for all of their projects (this includes plan review and field inspections for building, electrical, plumbing, and mechanical for all new construction projects, renovation projects, and repair projects). The logic at that time appeared to be that the economic climate was much healthier than it is today, and the Inspections Department was typically covering its costs through permit fees generated by all other residential and commercial construction activity at that time.

The current economic climate is clearly worse at this particular point in time. In fact, the City-County Inspections Department had to cut funding for 10 positions over the past two fiscal years, due to the declining construction market, which resulted in the Departmental revenues from permit fees dropping to levels that were less than the

Department's operating costs. Since the Department is expected to cover its costs through permit revenues, the Department had to cut seasoned, experienced Level III trade inspectors (the highest level of certification available), in order to balance the Department's budget.

The purpose of this proposal is to authorize the City-County Inspections Department to charge permit fees to the Durham Housing Authority and its agents and contractors in the same manner as permit fees are charged to other profit and non-profit entities. The types of projects that the Durham Housing Authority typically undertakes include the construction of new structures, renovations of existing structures, and repairs involving existing structures.

Issues

The new resolution terminates the existing resolution of 1989.

Alternatives

The City Council could choose not to adopt the new resolution. Failure to adopt the new resolution would continue the existing policy.

Financial Impact

The City-County Inspections Department is expected to recover its cost through revenues collected from permit fees. By not charging the Durham Housing Authority for permit fees, the Inspections Department has lost \$169,014 over the past five calendar years. The significance of this is that the Inspections Department has had to cut funding for 10 positions over the past two fiscal years, due to Departmental revenues coming in under Departmental budgeted costs. Additional positions could be potentially saved if the Department were allowed to collect the permit revenues from all agencies that utilize their services.

SDBE Summary

No review required

Attachments

Resolution to Rescind Resolution #7343

Resolution #7343, which is recommended to be rescinded

Supporting Data